

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et
al.*,

Debtors.¹

PROMESA Title III

Case No. 17-BK-3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA Title III

Case No. 17-BK-4780-LTS

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as a representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Plaintiff,

Adv. Proc. No. 19-00391-LTS

PROMESA Title III

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

v.

U.S. BANK NATIONAL ASSOCIATION, AS
TRUSTEE,

Defendant.

INFORMATIVE MOTION OF THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD REGARDING THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS' INTERVENOR STIPULATION RELATING TO ADV. PROC. NO. 19-00391-LTS

To The Honorable United States District Court Judge Laura Taylor Swain:

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as sole Title III representative of the Puerto Rico Electric Power Authority (“PREPA” or the “Debtor”) in this Title III case pursuant to section 315(b) of the *Puerto Rico Oversight, Management and Economic Stability Act* (“PROMESA”),² respectfully submits this informative motion (this “Informative Motion”) in connection with Adv. Proc. No. 19-00391-LTS (the “Adversary Proceeding”), notifying the Court of the *Stipulation and Agreed Order By and Among the Oversight Board, U.S. Bank National Association, as Trustee and Official Committee of Unsecured Creditors* regarding intervention in the Adversary Proceeding, attached hereto as **Exhibit A** (the “Stipulation and Proposed Agreed Order”), and requesting the Court so order the Stipulation and Proposed Agreed Order, and states as follows:

1. On October 6, 2022, the Oversight Board filed the *Informative Motion of Financial Oversight and Management Board Regarding Intervenor Stipulations Relating to Adv. Proc. No. 19-00391* [Docket No. 29] (the “Intervenor Informative Motion”), informing the Court the Oversight Board, U.S. Bank National Association, as Trustee (“Defendant”), and certain parties

² PROMESA is codified at 48 U.S.C §§ 2101–2241.

agreed to stipulations and proposed agreed orders regarding intervention in the Adversary Proceeding, and requesting the court so order the stipulations and proposed agreed orders.

2. The Intervenor Informative Motion also informed the Court that the Oversight Board, Defendant, and the Official Committee of Unsecured Creditors (the “Committee”) were working on a stipulation and proposed agreed order permitting the Committee to intervene in the Adversary Proceeding as a plaintiff. Intervenor Informative Motion ¶ 11.

3. The Oversight Board is pleased to report that the Oversight Board, Defendant, and the Committee have reached an agreement regarding the Committee’s intervention in the Adversary Proceeding, which is reflected in the Stipulation and Proposed Agreed Order, attached hereto as **Exhibit A**.

[Remainder of page intentionally left blank]

WHEREFORE, the Oversight Board respectfully requests that the Court take notice of this Informative Motion and so order the Stipulation and Proposed Agreed Order.

Dated: October 10, 2022
San Juan, Puerto Rico

Respectfully submitted,

/s/ Margaret A. Dale

Martin J. Bienenstock
Margaret A. Dale
Paul V. Possinger
Ehud Barak
Daniel S. Desatnik
Elliot R. Stevens
(Admitted *Pro Hac Vice*)
PROSKAUER ROSE LLP
Eleven Times Square
New York, NY 10036
Tel: (212) 969-3000
Fax: (212) 969-2900

*Attorneys for the Financial
Oversight and Management Board
as representative for PREPA*

/s/ Luis F. del Valle-Emmanuelli

Luis F. del Valle-Emmanuelli
USDC-PR No. 209514
P.O. Box 79897
Carolina, Puerto Rico 00984-9897
Tel. 787.647.3503
dvelawoffices@gmail.com

OF COUNSEL FOR
A&S LEGAL STUDIO, PSC
434 Avenida Hostos
San Juan, PR 00918
Tel: (787) 751-6764/763-0565
Fax: (787) 763-8260

*Co-Attorneys for the Financial
Oversight and Management Board
as Representative for PREPA*

CERTIFICATE OF SERVICE

I hereby certify that, on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all CM/ECF participants in this case.

/s/ Luis F. del Valle-Emmanuelli
Luis F. del Valle-Emmanuelli

Exhibit A

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et*
al.,

Debtors.¹

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Case No. 17-BK-3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA Title III

Case No. 17-BK-4780-LTS

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as a representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Plaintiff,

Adv. Proc. No. 19-00391-LTS

PROMESA Title III

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

v.

U.S. BANK NATIONAL ASSOCIATION, AS
TRUSTEE,

Defendant.

**STIPULATION AND AGREED ORDER BY AND AMONG THE
OVERSIGHT BOARD, U.S. BANK NATIONAL ASSOCIATION,
AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

This stipulation and consent order (the “Stipulation”) is made and entered into by and among the Financial Oversight and Management Board for Puerto Rico (“Plaintiff”), U.S. Bank National Association, as Trustee (“Defendant”) and the Official Committee of Unsecured Creditors (“Proposed Intervenor” and, together with Plaintiff and Defendant, the “Parties”). The Parties hereby stipulate and agree as follows:

RECITALS

WHEREAS Proposed Intervenor represents creditors of the above-captioned Debtor, whose recoveries may be materially economically impacted by the disposition of this adversary proceeding;

WHEREAS Proposed Intervenor has previously filed pleadings that raise issues that are likewise raised by Plaintiff in this adversary proceeding; and

WHEREAS Proposed Intervenor is timely intervening consistent with Rule 7024 of the Federal Rules of Bankruptcy Procedure and the *Order (A) Granting in Part and Denying in Part Urgent Motion of Financial Oversight and Management Board for Order (I) Establishing Schedule to Continue Negotiations During Litigation of Gating Issues Pursuant To Litigation Schedule and (II) Granting Related Relief and (B) Staying Certain Motions Filed by PREPA Bondholders* [Docket No. 22 in Adv. Proc. No. 19-00391-LTS] (the “Scheduling Order”); and

WHEREAS Proposed Intervenor, Plaintiff, and Defendant agree to permissive intervention by Proposed Intervenor as set forth herein, and such intervention will not unduly prejudice or delay the adjudication of the original parties' rights;

WHEREAS Proposed Intervenor, Plaintiff, and Defendant have agreed Proposed Intervenor may intervene as a co-plaintiff in this adversary proceeding, subject to the limitations set forth below;

NOW THEREFORE, the Parties hereby stipulate and agree, and upon the Court's approval the terms hereof shall be ordered and binding on all parties in interest, as follows:

STIPULATION

1. Proposed Intervenor may intervene as a co-plaintiff in this adversary proceeding with a right to be heard with respect to any matter in the litigation, subject to the following limitations:

- a. Proposed Intervenor may file only non-duplicative briefs or other submissions in accordance with the briefing schedule applicable to Intervenor set forth in the litigation schedule attached as Schedule 1 to the Scheduling Order.
- b. One attorney for Proposed Intervenor may be heard at any oral argument in this adversary proceeding, provided the attorney undertakes to avoid duplication with Plaintiff.
- c. The Proposed Intervenor shall only raise arguments with respect to the counts asserted by Plaintiff in the Amended Complaint filed in this adversary proceeding.
- d. Proposed Intervenor shall be entitled to receive all discovery produced in connection with this adversary proceeding and to attend depositions in this adversary proceeding, provided that it avoids duplication with Plaintiff. Proposed

Intervenor shall not be entitled to propound its own discovery requests absent the consent of the other Parties or leave of Court.

- e. Notwithstanding the foregoing, in respect of the nonrecourse issue, to the extent, if any, discovery is allowed pursuant to Rule 56(d), Proposed Intervenor and Plaintiff shall share responsibilities on discovery efforts; provided, that Plaintiff and Proposed Intervenor must file any discovery requests and/or pleadings related thereto jointly. To the extent such discovery, if any, overlaps with discovery on any other issues on which Plaintiff leads, Proposed Intervenor and Plaintiff shall coordinate to minimize inefficiency and overlap.
 - f. Without in any way limiting or expanding Proposed Intervenor's rights under section 1103 of the Bankruptcy Code or Plaintiff's rights under section 312 of PROMESA, Plaintiff shall share with Proposed Intervenor copies of all settlement proposals it makes. For the avoidance of doubt, Proposed Intervenor shall not have consent rights over any settlement of the adversary proceeding, but shall retain all rights it has as a party in interest in this Title III case, including the right to object to any settlement under Federal Rule of Bankruptcy Procedure 9019.
2. Past and future statements and writings of Proposed Intervenor shall not be attributed to or admissions of Plaintiff for any purpose other than with respect to non-recourse issues included in Plaintiff's briefs and not otherwise excepted to by Plaintiff.
3. Proposed Intervenor may seek relief from any of the foregoing limitations upon a showing of cause.
4. This Order shall take immediate effect and be enforceable upon its entry.

5. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

IT IS SO STIPULATED.

Dated: October 10, 2022

PROSKAUER ROSE LLP

/s/ Martin J. Bienenstock

MARTIN J. BIENENSTOCK*

MARGARET DALE*

PAUL V. POSSINGER*

EHUD BARAK*

DANIEL S. DESATNIK*

ELLIOT R. STEVENS*

Eleven Times Square

New York, NY 10036

Tel.: (212) 969-3000

Fax: (212) 969-2900

Email: mbienenstock@proskauer.com

mdale@proskauer.com

ppossinger@proskauer.com

ebarak@proskauer.com

ddesatnik@proskauer.com

estevens@proskauer.com

** Admitted Pro Hac Vice*

*Counsel for the Financial Oversight and
Management Board as Representative for
PREPA*

/s/ Luis F. Del Valle-Emmanuelli

LUIS F. DEL VALLE-EMMANUELLI

USDC-PR No. 209514

P.O. Box 79897

Carolina, PR 00984-9897

Tel.: (787) 647-3503

Email: dvelawoffices@gmail.com

OF COUNSEL FOR A&S LEGAL
STUDIO, PSC

434 Avenida Hostos

San Juan, PR

Tel.: (787) 751-6764/763-0565

Fax: (787) 763-8260

*Co-Attorneys for the Financial
Oversight and Management Board as
Representative for PREPA*

RIVERA, TULLA & FERRER

/s/ Eric A. Tulla

ERIC A. TULLA

USDC-PR No. 118313

50 Quisqueya Street

San Juan, PR 00917-1212

Tel.: (787) 753-0438

Fax: (787) 767-5784

Email: etulla@riveratulla.com

/s/ Iris J. Cabrera Gomez

IRIS J. CABRERA GOMEZ

USDC-PR No. 221101

Email: icabrera@riveratulla.com

*Counsel for U.S. Bank National
Association, in its Capacity as Trustee*

MASLON LLP

/s/ Clark T. Whitmore

CLARK T. WHITMORE*

WILLIAM Z. PENTELOVITCH*

JOHN T. DUFFEY*

JASON M. REED*

90 South Seventh Street, Suite 330

Minneapolis, MN 55402

Tel.: (612) 672-8200

Fax: (612) 672-8397

Email: clark.whitmore@maslon.com

bill.pentelovitch@maslon.com

john.duffey@maslon.com

jason.reed@maslon.com

** Admitted Pro Hac Vice*

*Counsel for U.S. Bank National
Association, in its Capacity as Trustee*

/s/ Luc A. Despins

PAUL HASTINGS LLP
Luc A. Despins, Esq. (*Pro Hac Vice*)
Nicholas A. Bassett, Esq. (*Pro Hac Vice*)
G. Alexander Bongartz, Esq. (*Pro Hac Vice*)
200 Park Avenue
New York, New York 10166
Telephone: (212) 318-6000
lucdespins@paulhastings.com
nicholasbassett@paulhastings.com
alexbongartz@paulhastings.com

Counsel to the Official Committee of Unsecured Creditors

/s/ Juan J. Casillas Ayala

CASILLAS, SANTIAGO & TORRES LLC
Juan J. Casillas Ayala, Esq. (USDC - PR 218312)
Israel Fernández Rodríguez, Esq. (USDC - PR 225004)
Juan C. Nieves González, Esq. (USDC - PR 231707)
Cristina B. Fernández Niggemann, Esq. (USDC - PR 306008)
PO Box 195075
San Juan, Puerto Rico 00919-5075
Telephone: (787) 523-3434 Fax: (787) 523-3433
jcasillas@cstlawpr.com
ifernandez@cstlawpr.com
jnieves@cstlawpr.com
cfernandez@cstlawpr.com

Local Counsel to the Official Committee of Unsecured Creditors

SO ORDERED.

Dated: _____, 2022

HONORABLE LAURA TAYLOR SWAIN
United States District Judge